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VOLUME 4

General Communications Commission
Office of Secretary

TABS 17-25

1. My name is John Lube. I am Director-Regulatory for Southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance (“SBLD”), a wholly-owned subsidiary of SBC Communications Inc. (“SBC”). SBLD is the affiliate through which SBC will provide in-region interLATA telecommunications services within Oklahoma under the Telecommunications Act of 1996 (“1996 Act”).

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2. Pacific Bell Communications ("PBC") and SBLD are the pre-merger implementation affiliates of the Pacific Telesis Group ("PTG") and SBC, respectively, through which PTG and SBC would have provided in-region, interLATA telecommunications services. In the post-merger environment, PBC will merge with SBLD. Until this merger is implemented, I am responsible for regulatory compliance within PBC and SBLD. SBLD is the affiliate through which SBC will provide in-region, interLATA telecommunications services within Oklahoma.
3. I am also responsible for analyzing long distance entry requirements and ensuring that SBLD's business operations comply with all applicable statutes, rules, and orders including the FCC's Non-Accounting Safeguards First Report and Order issued in CC Docket No. 96-149, and the Accounting Safeguards Report and Order issued in CC Docket 96-150.¹
4. I began my career with Southwestern Bell Telephone Company ("SWBT") in 1972. While working for SWBT, I held various positions in Texas, Oklahoma, and Missouri, responsible for regulatory, network planning and engineering, and accounting. In 1997, I accepted my current position of Director-Regulatory, located in Pleasanton, California.

¹ In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order, CC Docket No. 96-149, FCC 96-489 (rel. Dec. 24, 1996) ("Non-Accounting Safeguards First Report and Order"); In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, Report and Order (rel. Dec. 24, 1996) ("Accounting Safeguards Report and Order").

B. PURPOSE OF AFFIDAVIT

This affidavit demonstrates that SBLD is currently operating in accordance with, and will comply with, to the extent applicable, the separate affiliate rules of Section 272 of the 1996 Act and with the Commission's rules in carrying out the authorization requested in this Application.²

As previously explained, the SBC Bell Operating Company (i.e., "Telco")³ which is subject to Section 251(c) within SBC's operating territory in Oklahoma is SWBT. The affidavit of Kathy Rehmer discusses SWBT's structural/Section 272 compliance with the 1996 Act. The affidavit of Kathleen Larkin also discusses SWBT's compliance with the 1996 Act, with respect to SWBT's affiliate transactions. Although neither Pacific Bell nor Nevada Bell, which are SBC's other Telcos, operate in Oklahoma, their compliance with the 1996 Act is also addressed in the affidavits of Rehmer and Larkin.

C. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272 AND
RELATED FCC RULES

SBLD is currently operating in accordance with each of the relevant subsections of Section 272, and all related FCC rules.

² See In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order, CC Docket No. 96-149, FCC 96-489 (rel. Dec. 24, 1996) (Non-Accounting Safeguards First Report and Order); In the Matter of Implementation of the Telecommunications Act of 1996; Accounting Safeguards Under the Telecommunications Act of 1996, Report and Order (rel. Dec. 24, 1996) (Accounting Safeguards Report and Order).

³ The SBC Telcos, as defined in Section 3(4), consist of SWBT, Pacific Bell, and Nevada Bell. These are SBC's three affiliated incumbent local exchange carriers which provide local telephone exchange service and are subject to the requirements of Section 251(c).

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1. DESCRIPTION OF SECTION 272 (a) REQUIREMENTS

With respect to telecommunications services, Section 272(a)(1) requires that SBC provide originating, in-region interLATA services only through one or more affiliates that "are separate from any operating company entity that is subject to the requirements of Section 251(c) [i.e., the Telcos]" and "meet the requirements of [Section 272(b)]".⁴

2. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(a) REQUIREMENTS

SBLD is currently operating in accordance with Section 272(a) requirements and will provide interLATA telecommunications services originating in Oklahoma, or which are treated as originating in Oklahoma under Section 271, through SBLD, an SBC affiliate that is separate from the Telcos. SBLD is a duly formed and existing corporation organized under the laws of the State of Delaware and is a wholly-owned subsidiary of SBC. Neither SWBT, Pacific Bell nor Nevada Bell, collectively or individually, own any stock of SBLD; correspondingly, SBLD owns no stock of any of the Telcos. SBLD is in all respects a separate corporate entity from the Telcos.

As also required by Section 272(a), SBLD is operating in compliance with Section 272(b), as described later in my affidavit.

SBC may from time to time reorganize, merge, or otherwise change the form of SBLD; or create, merge or acquire additional interexchange subsidiaries. Any such subsidiaries

⁴ A separate affiliate is not required by Section 272(a) for certain incidental or previously approved interLATA telecommunications services; see Sections 271(f), (g)(1), (g)(2), (g)(3), (g)(5) and (g)(6).

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likewise will meet, to the extent applicable, the requirements of Section 272 of the 1996 Act, as well as applicable state and federal regulations.

3. SERVICES TO BE PROVIDED BY SBLD ARE CONSISTENT WITH SECTION
272(a)

SBLD provides no in-region⁵ telecommunications services of any kind as of the date of this affidavit. The telecommunications services to be provided by SBLD, once the necessary regulatory approval is granted, are consistent with Section 272(a). These services include direct-dialed interexchange message telecommunications services originating in Oklahoma; and operator services and calling card services for Oklahoma customers, useable in states other than Oklahoma, consistent with Section 271.

4. SERVICES CURRENTLY OFFERED BY SBLD

SBLD, through its subsidiaries,⁶ has approved tariffs to provide direct-dialed, interstate and intrastate, interLATA and intraLATA interexchange message telecommunications services and operator services originating only in those states outside of SBC's in-region territory where SBLD has cellular services affiliates. SBLD also has approved tariffs to provide calling card services in all states outside of SBC's in-region territory.

⁵ The in-region territory for SBC is made up of Arkansas, California, Kansas, Missouri, Nevada, Oklahoma, and Texas.

⁶ SBLD's subsidiaries currently include Southwestern Bell Communications Services-Illinois, Inc. ("SBCS-Illinois"); Southwestern Bell Communications Services-Indiana, Inc. ("SBCS-Indiana"); Southwestern Bell Communications Services-New York, Inc. ("SBCS-New York"); Southwestern Bell Communications Services-Maryland, Inc. ("SBCS-Maryland"); Southwestern Bell Communications Services-Massachusetts, Inc. ("SBCS-Massachusetts").

5. DESCRIPTION OF SECTION 272(b)(1) REQUIREMENTS

Section 272(b)(1) provides that the required separate affiliate "shall operate independently from the [Telcos]." In the Non-Accounting Safeguards First Report and Order, the Commission concluded that Section 272(b)(1) "imposes requirements beyond those listed in Sections 272(b)(2)-(5)."⁷ The Commission further concluded that those additional requirements are:

- a. the Telco and its Section 272 affiliate are precluded from jointly owning transmission and switching facilities, or the land or buildings where those facilities are located;
- b. a Section 272 affiliate is precluded from performing network operating, installation, and maintenance functions associated with the Telco's transmission and switching facilities; and
- c. a Telco or any Telco affiliate, other than the Section 272 affiliate itself, is precluded from performing network operating, installation, or maintenance functions associated with the transmission and switching facilities that the Section 272 affiliate owns or leases from a provider other than the Telco with which it is affiliated.⁸

6. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(b)(1) REQUIREMENTS AND RELATED RULES IN THE FCC'S NON-ACCOUNTING SAFEGUARDS FIRST REPORT AND ORDER

⁷ Non-Accounting Safeguards First Report and Order, ¶ 156.

⁸ Ibid., ¶ 158.

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SBLD and the Telcos operate independently under this standard and these FCC rules. In particular,

- a. SBLD and the Telcos do not, and as long as Section 272 or any lawful regulations require, will not, jointly own telecommunications transmission and switching facilities, or the land and buildings on which such facilities are located; and
- b. SBLD is not currently providing, and will not provide, as long as Section 272 or any lawful regulations require, network operating, installation, or maintenance services in connection with the Telcos' transmission and switching facilities. As allowed by the FCC, SBLD may, in the future, provide such services to the Telcos if the Telcos purchase sophisticated equipment from SBLD.
- c. SBLD does not currently receive, and will not receive, as long as Section 272 or any lawful regulations require, network operating, installation, or maintenance services from the Telcos or any non-Section 272 affiliate of the Telcos for transmission and switching facilities to be used by SBLD.

Initially, SBLD anticipates that it will provide in-region originating, interLATA long distance services and products through resale; as conditions change and economics warrant, SBLD will provide services over its own facilities. Even though SBLD will own no facilities initially, its network operations personnel will perform the functions, in accordance with Section 272(b)(1), necessary to ensure adequate levels of services to its customers. These functions include forecasting and monitoring capacity, and quality of service. SBLD's network operations personnel also will coordinate with

the underlying carrier for service quality and disaster recovery. In addition, SBLD's network operations personnel will provide technical support to its Customer Care Center for customer service outages.

7. DESCRIPTION OF SECTION 272(b)(2) REQUIREMENTS

Section 272(b)(2) provides that the required separate affiliate "shall maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from [those] maintained by the [Telcos] of which it is an affiliate."

8. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(b)(2) REQUIREMENTS

SBLD maintains books, records, and accounts that are separate from the books, records, and accounts of the Telcos. Furthermore, in compliance with the FCC's Accounting Safeguards Report and Order, SBLD's books, records, and accounts follow Generally Accepted Accounting Principles ("GAAP").⁹

Specifically, SBLD performs the following finance and accounting functions: budgeting and tracking expense and capital; analyzing revenue and earnings performance; preparing business plans; establishing and maintaining asset tracking and project accounting; developing and administering cost accounting and pricing models; establishing financial requirements for the billing system; and accounting for international settlements.

Systems and processing support are provided by SBLD or an agent(s)¹⁰.

⁹ Accounting Safeguards Report and Order, ¶ 170.

¹⁰ SWBT performs certain accounting functions for SBLD on a non-discriminatory basis.

9. DESCRIPTION OF SECTION 272(b)(3) REQUIREMENTS

Section 272(b)(3) provides that the required separate affiliate "shall have separate officers, directors, and employees from the [Telcos] of which it is an affiliate."

10. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(b)(3) REQUIREMENTS

Currently, no officer, director or employee of SBLD is simultaneously an officer, director or employee of the Telcos, in any possible combination of those roles. In addition, as long as the applicable requirements of Section 272 remain, no officer, director or employee of SBLD will simultaneously serve as an officer, director or employee of the Telcos, in any possible combination of those roles. Schedule JL-1 shows all of SBLD's officer positions. The directors of SBLD are shown in Schedule JL-2.

11. REPORTING STRUCTURE OF SBLD OFFICERS AND EMPLOYEES

SBLD has the following reporting structure:

- a. SBLD's President reports to SBC's Executive Vice President-Corporate Planning and Capital Management. This position reports to SBC's President-Southwestern Bell Operations, which, in turn, reports to SBC's Chairman and Chief Executive Officer.
- b. All other officers of SBLD report to SBLD's President.¹¹
- c. All other employees of SBLD report through SBLD's lines of organization to SBLD's President.

¹¹ In addition to reporting to the President of SBLD, the Vice President-Taxes also reports to the Senior Vice President-Treasurer & CFO of SBC; the Vice President-Law and Regulation & Secretary also reports to the Senior Vice President & General Counsel of SBC Telecommunications, Inc.; the Treasurer also reports to the Managing

12. DESCRIPTION OF SECTION 272(b)(4) REQUIREMENTS

Section 272(b)(4) provides that the required separate affiliate “may not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the [Telcos].”

13. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(b)(4) REQUIREMENTS

Neither SBLD nor any of its affiliates have co-signed any contract or made any other arrangement with, or on behalf of, SBLD that would allow a creditor to obtain recourse to the Telcos’ assets in the event of a default. As long as Section 272 or applicable state or federal regulations prohibit such arrangements, neither SBLD, nor any of its Section 272 affiliates, will do so in the future.

14. DESCRIPTION OF SECTION 272(b)(5) REQUIREMENTS

Section 272(b)(5) provides that the required separate affiliate “shall conduct all transactions with the [Telcos] of which it is an affiliate on an arm’s length basis with any such transactions reduced to writing and available for public inspection.”

15. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(b)(5)
REQUIREMENTS

SBLD and the Telcos have conducted their affiliate transactions with each other on an arm's length basis, under the FCC's affiliate transaction rules.¹² Schedule JL-3 describes these transactions for the services currently obtained by SBLD from the Telcos.

In accordance with the FCC's Accounting Safeguards Report and Order, transactions between SBLD and the Telcos in effect on or after August 12, 1997,¹³ are reduced to writing, and are available for public inspection through the SBLD Internet home page on the SBC web site at "www.sbc.com".¹⁴ In addition, any future transactions between SBLD and the Telcos will be reduced to writing and made available for public inspection through the SBLD Internet home page within ten (10) days of the transaction. All transactions, while in effect and for a period of one year after termination, will remain on the SBLD Internet home page. The affiliate transactions information on the SBLD Internet home page is essentially the same information found in Schedule JL-3, along with the associated terms, conditions and rates.

16. SBLD RECEIVES ADMINISTRATIVE SERVICES FROM SBC NON-TELCO
AFFILIATES

SBLD may obtain administrative services from SBC, or SBC's affiliates other than the Telcos. These services are also subject to the FCC's affiliate transaction rules, but, as

¹² Accounting Safeguards Report and Order, ¶ 176.

¹³ Memorandum Opinion and Order, CC Docket No. 97-137 (271 application of Ameritech Michigan), ¶ 364, footnote 939.

¹⁴ Accounting Safeguards Report and Order, ¶ 122.

allowed by the FCC's Non-Accounting Safeguards First Report and Order and Accounting Safeguards Report and Order, these services do not have to be made available to non-affiliates on a non-discriminatory basis.¹⁵ and are not required to be posted on SBLD's Internet home page.¹⁶

Similarly, SBLD may receive joint marketing services from the Telcos, SBC or other SBC affiliates. For these services, the FCC's affiliate transaction rules also apply. And, as allowed by the FCC's Non-Accounting Safeguards First Report and Order and Accounting Safeguards Report and Order, these marketing services do not have to be made available to non-affiliates on a non-discriminatory basis. However, if obtained from the Telcos, they are required to be posted on SBLD's Internet home page; such services are listed in Schedule JL-3.¹⁷

17. DESCRIPTION OF SECTION 272(d) REQUIREMENTS

Section 272(d)(1) requires that a company required to operate a separate affiliate under Section 272 "shall obtain and pay for a joint Federal/State audit every two (2) years conducted by an independent auditor to determine whether such company has complied

¹⁵ The Non-Accounting Safeguards First Report and Order, ¶ 180 states that the Telco and the Section 272 affiliate may share in-house services with each other only to the extent that such sharing is consistent with Sections 272(b)(1), 272(b)(5) and 272(c)(1). In contrast, ¶ 182 states that the parent of the Telco and an affiliate of the Telco, such as a services affiliate, may perform functions for both the Telco and Section 272 affiliate, subject to the requirements of Section 272(b)(1). There is no corresponding requirement for these functions to be subject to Sections 272(b)(5) and 272(c)(1).

¹⁶ The Accounting Safeguards Report and Order, ¶ 182 states that the Telco is permitted to share in-house services with its Section 272 affiliate to the extent such sharing is in accordance with the FCC's affiliate transactions rules, and is made available for public inspection. In contrast, ¶ 183 states that the parent of the Telco and an affiliate of the Telco, such as a services affiliate, may perform functions for both the Telco and the Section 272 affiliate, subject only to the affiliate transactions rules (i.e., there is no requirement that these transactions be made available for public inspection).

¹⁷ Non-Accounting Safeguards First Report and Order, ¶ 168, ¶ 183, and ¶ 296; Accounting Safeguards Report and Order, ¶ 182.

with this section, and any rules promulgated under this section.” In addition, Sections 272(d)(2)-(3) require that the results of these audits, as well as the associated company records and the independent auditor’s workpapers, shall be made available to the FCC and state commissions.

18. SBLD WILL COMPLY WITH, TO THE EXTENT APPLICABLE, SECTION 272(d) REQUIREMENTS

SBLD will participate as necessary in the audits specified in the requirements, to the extent applicable, of Section 272 and the FCC’s rules.¹⁸

19. DESCRIPTION OF SECTION 272(g)(1) REQUIREMENTS

Section 272(g)(1) provides that the required separate affiliate “may not market or sell telephone exchange services provided by the [Telcos] unless [the Telcos permit] other entities offering the same or similar service [as SBLD] to market and sell [the Telcos’] telephone exchange services.”

20. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(g)(1) REQUIREMENTS

While Section 272(g)(1) describes an action that may be taken by SBLD, such action is dependent, first, on the Telcos’ compliance with the Section 272(g)(1) requirement for the Telcos to permit other entities offering the same or similar services as SBLD to market and sell the Telcos’ telephone exchange services. If SBLD decides to market or

¹⁸ Accounting Safeguards Report and Order, ¶ 197-205

sell telephone exchange services provided by the Telcos, SBLD will not do so unless the Telcos have given SBLD assurance that the Telcos have met their obligations under Section 272(g)(1).

21. DESCRIPTION OF SECTION 272(g)(3) REQUIREMENTS

Section 272(g)(3) provides that the "joint marketing and sale of services permitted under [272(g)] shall not be considered to violate the nondiscrimination provisions of [272(c)]."

22. SBLD IS CURRENTLY OPERATING IN ACCORDANCE WITH SECTION 272(g)(3) REQUIREMENTS

Although Section 272(g)(3) imposes no additional compliance requirements on the Section 272 affiliate or its Telco affiliates, SBLD will assure compliance with any associated requirements of the 1996 Act and the FCC's rules.

23. SBLD PLANNED "BETA TEST" OF PROCESSES, SYSTEMS AND NETWORK WILL BE IN COMPLIANCE, TO THE EXTENT APPLICABLE, WITH SECTION 272 AND FCC RULES

SBLD plans to conduct beta testing of its processes, systems, and network prior to entering the long distance market. The purpose of this testing is to assure that SBLD offers competitive long distance services that meet SBC's service quality standards. As planned, the beta tests would be made in SBC's in-region territory using employees of SBLD and/or other non-BOC subsidiaries of SBC as "customers". The tests would include not only processes and systems such as those used for order processing, trouble reporting, and billing, but also call completion. Typical services to be tested include

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direct dialed calls, toll free calls (i.e., "800" and "888"), operator assisted calls, directory assisted calls, and calling card calls. These employees would participate in the beta testing through normal interaction with SBLD's processes and systems, and would receive test bills for the test calls; however, in accordance with FCC decisions, these employees would not pay for the test calls they make. This early testing schedule is necessary to adequately test SBLD's systems and processes, especially those dealing with customer billing.

SBLD's beta testing would utilize its own processes and systems for some functions, and its underlying carrier's processes and systems for other functions. In addition, the testing would utilize the Telcos' processes and systems for yet other functions, including joint billing, billing inquiry, and business office orders (with respect to the customer's selection of a long distance carrier). SBLD's use of these Telco processes and systems, plus the Telco employees who support those processes and systems, will be in compliance with Section 272 of the 1996 Act. Joint billing and billing inquiry are services already offered by the Telcos (under tariff or contract) to all long distance carriers. Likewise, under equal access, the Telcos' business offices process the customer's selection of a long distance carrier for all participating long distance carriers.

D. SUMMARY OF AFFIDAVIT

As demonstrated in my affidavit, SBLD is currently operating in accordance with, and will comply with, to the extent applicable, each of the relevant subsections of Section 272 of the 1996 Act, and with all of the related FCC rules in carrying out the authorization requested in this Application.

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E. CONCLUSION OF AFFIDAVIT

The foregoing Affidavit is true and correct to the best of my knowledge, information, and belief. This concludes my Affidavit.

JOHN LUBE
DIRECTOR-REGULATORY
SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.

Subscribed and sworn to before me this _____ day of _____, 1998.

NOTARY PUBLIC

Officers of SBLD

- President - Virginia Vann
This officer of SBLD is responsible for all day-to-day operations, including SBLD's network operations, installation, and maintenance; network planning; marketing; product development; finance; regulatory; customer service; systems development; strategic planning; and administrative functions.
- Vice President and Chief Financial Officer - Susan Johnson
This officer of SBLD is responsible, either directly or indirectly, for the performance of SBLD's finance and accounting functions.
- Vice President - Customer Care - Charlene Mike-Billstrom
This officer of SBLD is responsible, either directly or indirectly, for designing and managing the processes used to support customers.
- Vice President - Marketing - Vacant
This officer of SBLD is responsible, either directly or indirectly, for the performance of SBLD's marketing and sales.
- Vice President - Operations - Tom Miller
This officer of SBLD is responsible, either directly or indirectly, for the performance of SBLD's network operations, installation, and maintenance; and network planning functions.
- Vice President - Law and Regulatory - Stanley J. Moore
This officer of SBLD is responsible for regulatory compliance in the interstate and intrastate jurisdictions. It prepares, either directly or indirectly, all regulatory filings on behalf of SBLD.
- Vice President - Strategic Planning - Manuela McCall
This officer of SBLD is responsible, either directly or indirectly, for strategic planning, which assesses various company and corporate goals and makes strategic plans to meet those goals, as well as the administrative functions for SBLD.
- Vice President - Taxes - John J. Stephens
This officer if SBLD is responsible, either directly or indirectly, for the performance of SBLD's state and federal taxation activities

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- Secretary - Stanley J. Moore

This officer of SBLD issues all authorized notices for, and keeps minutes of, all meetings of the stockholders and the Board. The Secretary has general charge over the corporate records.

- Assistant Secretary - Timothy P. Leahy

This officer of SBLD performs the functions of the Secretary in absence of the Secretary.

- Treasurer - Charles P. Allen

This officer of SBLD has custody of all monies and securities of SBLD. The Treasurer makes such disbursements of the funds of SBLD as are proper, and renders from time to time an accounting of all such transactions and of the financial condition of SBLD.

SCHEDULE JL-2

SBLD's Board of Directors

J. Michael Turner [Chairman]

James D. Gallemore

Edward L. Glotzbach

A. Dale Robertson

Stanley T. Sigman

Virginia L. Vann

SCHEDULE JL-3

Affiliate Transactions for Services Currently Received By SBLD¹⁹ from the Telcos

Services Provided by Southwestern Bell Telephone Company to
Pacific Bell Communications

- General Services Agreement (Agreement No. 999743) - Establishes the business relationship between Southwestern Bell Telephone Company and Pacific Bell Communications. All Schedules are attached by reference to the General Service Agreement.
- Accounts Payable Services (Schedule No. 118) - Services consist of administrative support associated with processing client accounts payable.
- General Ledger Support Services (Schedule No. 117) - Services consist of administrative support associated with production of client general ledger.
- Treasury Labor Services (Schedule No. 018) - Services consist of support associated with client paydraft distribution, paydraft and payroll related voucher draft reconciliation, direct deposit and political action committee services.

Services Provided by Pacific Bell to
Pacific Bell Communications

- Agreement between Pacific Bell and Pacific Bell Communications for General Administrative Services - Establishes the business relationship between Pacific Bell and Pacific Bell Communications. All Schedules are attached by reference to the General Services Agreement.
- Centralized Distribution Center Services (Schedule No. TC-01-002) - Services consist of preparing and addressing materials for mass distribution to company employees and voice mail box list maintenance.
- Computer Operations and Programming Services (Schedule No. TC-09-058) - Services consist of planning, development, testing, implementation and maintenance of

¹⁹ Pacific Bell Communications and Southwestern Bell Communications Services, Inc., d/b/a SBLD, are the pre-merger implementation affiliates of PTG and SBC, respectively, through which PTG and SBC would have provided in-region interLATA telecommunications services. In the post-merger implementation environment, Pacific Bell Communications will merge with SBLD. SBLD is the affiliate through which SBC will provide in-region interLATA telecommunications services within Oklahoma.

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databases/application systems and the provision of computer operation functions in support of computer operations and programming for joint marketing.

- Computer Security Services (Schedule No. TC-09-035) - Services consist of computer and network security services. Specific services include support for investment and cost processing, firewall development, maintenance and network surveillance, and maintenance of the computer security database.
- Consulting Services Systems Development (Schedule No. TC-09-011) - Services consist of consulting and other related activities to render assistance to client to create system requirements to support information systems and develop systems, manage vendors and long term information systems operations.
- Consulting Services Sales Support (Schedule No. TC-29-013) - Services consist of marketing support and consulting. Marketing support and consulting includes provision of advice and counsel on distribution channels for joint marketing, development of requirements for systems support for joint marketing, and development of methods and procedures for joint marketing of client services.
- Data Center Operations, Systems Support and Planning Services (Schedule No. TC-09-053) - Services consist of data center planning, data center operations and data center systems support.
- Datacommunications Services (Schedule No. TC-09-036) - Services consist of datacommunications services related solely to client internal network, and not related in any way to facilities used for provision of service to client customers. Services include installation and maintenance of the data center and network operations internal network circuits, switches, and software; network management for the data center and network operations internal network; and design and engineering of client Local Area Networks from the client location to the computer centers.
- Information Directory Services (Schedule No. TC-01-006) - Services consist of maintenance and updates to personnel databases related to the Official Company Directory, Regional Administrative Call Handling, and Touch -Tell Directory.
- Mail and Messenger Services (Schedule No. TC-15-005) - Services consist of mail pick up and delivery functions provided on a daily basis
- Project Management Services (Schedule No. TC-09-056) - Services consist of consultations, opportunity assessments, project decision analysis and project implementation in connection with client internal datacommunications network and data center equipment.
- Tariffed telecommunications services.

Services Provided by Nevada Bell to

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Pacific Bell Communications

- Agreement between Pacific Bell Communications and Nevada Bell for General Administrative Services - Establishes the business relationship between Pacific Bell Communications and Nevada Bell. All Schedules are attached by reference to the General Services agreement.
- Statement of Marketing Operations and Strategic Planning (Schedule No. PBC-01-001) - Services consist of planning, project management, and implementation of joint marketing services.

Services Provided by Southwestern Bell Telephone Company to
Southwestern Bell Communications Services, Inc.

- General Services Agreement (Agreement No. 950300) - Establishes the business relationship between Southwestern Bell Telephone Company and Southwestern Bell Communications Services, Inc. All Schedules are attached by reference to the General Services Agreement.
- Account Maintenance Agreement - Services consist of the provision of customer information contained in the Customer Record Information System database concerning end user customers that have selected client as Primary Interexchange Carrier.
- Accounts Payable Services (Schedule No. 118) - Services consist of Southwestern Bell Telephone Company support associated with processing client accounts payable.
- BDS/LAN Engineering, Installation and Maintenance Services (Agreement No. SC95014100) - Services consist of engineering, installation and maintenance services for client internal Building Distribution Systems/Local Area Networks (BDS/LAN). Southwestern Bell Telephone Company shall provide such services related solely to client internal network, and not related in any way to facilities used for provision of service to client customers.
- Bellcore Support Services (Schedule No. 084) - Services consist of client requests for technical documentation from Southwestern Bell Telephone Company. Specific services provided include administrative support to order technical documents from Bellcore.
- Billing and Collections Services - Services consist of billing and collecting client customer and casual user charges. Services include modifications to Southwestern Bell Telephone Company billing system to accommodate client billing and collection services.
- Budget Analysis Support Services (Schedule No. 119) - Services consist of providing financial consultation regarding budget issues.

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- Carrier Toll Data Report Services (Agreement No. 960418) - Services consist of compilation of a Carrier Toll Data Report for client. The report consists of information containing bill data, including interLATA and intraLATA toll data for Southwestern Bell Telephone Company customer bills.
- Data Processing Support Services (Agreement No. CGA967076) - Services consist of processing software programs to include usability, security, backup and recovery of data processing systems. Specific services include mainframe applications, test system processing, and timesharing arrangements on data processing system for accounts payable, general ledger processing, EASE processing, SORD processing, and other marketing systems.
- Fulfillment Services (Schedule No. 110) - Services consist of production and distribution of client calling cards and performing direct mail fulfillment services for client.
- General Ledger Support Services (Schedule No. 117) - Services consist of consultation and processing of client general ledger.
- Human Resources Support Services (Schedule No. 002) - Services consist of consultation and administrative support on benefit issues and assistance in staffing requirements.
- InterLATA Communications Services (Schedule No. 037) - Services consist of access to Southwestern Bell Telephone Company internal communications network for client internal administrative traffic.
- Legal Services - Services consist of professional services provided to client by the Legal organization of Southwestern Bell Telephone Company. Services provided include all legal work performed by Southwestern Bell Telephone Company attorneys and/or paralegals on client issues.
- Nonmanagement Employment Services (Schedule No. 005) - Services consist of employment testing and hiring services provided for client. Specific services include recruitment, testing, interviewing and referral of nonmanagement candidates to client. Client retains ultimate control of all hiring decisions.
- Official Communications Services (Schedule No. 017) - Services consist of functions performed by the Official Communications organization in Southwestern Bell Telephone Company for client. Specific services include access to internal audio conference facility, access to Local Area Network administrative services (e.g., Excel, Mail, etc.), and coordination of PC acquisition.
- Property Tax Services (Schedule No. 053) - Tax services include tax rendition, assessment negotiation, assessment appeal, verification and approval of tax billing, consultation, and research.